

Product Standards Committee (PSC)
Regulator-only Call Summary
May 7, 2024

Agenda Item 2. Continue Discussion of 5-year review of the Group Disability Income Standards

Andria Seip asked members if they had additional comments on the ACLI request on using mix and match for the group application and evidence of insurability forms. PSC members wanted clarification and examples of the request. The Compact Office will send the questions to the ACLI.

The next item was to discuss the ACLI request to modify the provision on offsets.

ACLI Comment: We suggest broadening the exclusion to delete reference to the states and make it more inclusive, such as “Benefits payable for disability under state or federal disability income plans, paid family and medical leave plans, or other similar governmental compulsory plans.”

There were general questions about how offsets reduce benefits. There was discussion about whether paid family leave can be subject to an offset when it is not tied to the disability of the certificateholder. The Compact Office will ask the ACLI for more information about the request.

Andria Seip asked about the ACLI request regarding limits on benefits for mental and nervous benefits and substance abuse. The Compact Office will ask ACLI for clarification and examples of the request.

The next item was the request to amend the offset for secondary employment.

ACLI Comment: The offset for secondary employment is confusing and not standard in the industry. It allows offsets for income from secondary employment but also states that, “however, if Disability begins after an increase in secondary employment income, the Disability benefit may or may not be reduced on account of such increase.”

The Compact Office agreed clarification is needed from ACLI on what the request is, whether the request is to allow offsets based on income from secondary employment (1) regardless of any increase at any time or (2) for increased income beginning only after disability occurs. PSC members wanted information about the request and examples. The Compact Office will ask the ACLI for more information about the request.

The next request was the Worksite Modification Benefit. The Compact Office noted that the ACLI has withdrawn this request.

Agenda Item 3. Discuss amendments to Group Application to allow for nonemployer groups

The PSC members received the draft amendments in advance of the call. Andria Seip asked if PSC members had questions about amendments to the group application to allow for nonemployer groups. There was also a suggested amendment to allow more than one insurer to be listed on the application. Becky McElduff said that this provision is allowed under the individual application standards. It allows the filer to make one filing with check off boxes for the applicant to choose the insurer. The Compact Office will provide examples from the individual disability income filings for PSC members to discuss on the next call.

Agenda Item 4. Discuss Group Disability Income Standards for Other Than Employer Groups

The PSC ran out of time. They will discuss a process to review the standards on the next call.

Agenda Item 7. Any Other Matters

The next meeting of the PSC will be a regulator-only call on May 21. There were no other matters.